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CENTRAL INTELLIGENCE AGENCY  
**INFORMATION REPORT**

COUNTRY China/USSR

SUBJECT Chinese Plans for Development in Singkiang  
and Turkestan

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RESPONSIVE TO	
25X1A	2

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1. Information from Peiping indicates that the Red Chinese and Soviet Governments have jointly decided to build up the territory of Central Asia, which is so difficult of access. This is to be done with a view to the possibility of a future war, using both the atom and the hydrogen bomb. According to this plan, both the Soviet and the Chinese territory of Central Asia are to be built up into a special economic area. Chang Wen Tien, Chinese Ambassador in Moscow, brought Peiping's version of the plan back with him when he returned to his post at the end of Aug 1953.
2. Before Chang's return journey to Moscow, there was a conference of the state planning commission, under Kao Kang. Among others who took part in this conference, were General Peng Teh Huai, chief of the Northwestern Administrative Area, and Wang Chen, military commander in Singkiang. At this conference a plan for the joint development of Singkiang, in collaboration with the Soviet Union was proposed.
3. From such further details of this plan as can be learned, it appears that Turkestan is also to be developed on a large scale. When the plan is fully carried out, Turkestan is to become a second Manchuria. This plan is to concentrate on four main points: Turkestan as a strategic area; Northern Turkestan as an industrial area; Southern Turkestan as an agricultural area; and, in Singkiang, the city of Urumchi to be developed as a modern metropolis.
4. The development of Turkestan as a strategic territory is to be carried out through a Four (repeat: four, not five) Year Plan, beginning in 1954 and ending in 1957. It is to include the following steps:

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- 2 -

- a. Railroad building: Completion of the stretch Lanchu-Urumchi and building of the stretch Urumchi-Ining. This will give a through railroad connection by way of northern Singkiang, connecting with the Chinese railroad net in the east and the Soviet railroad net in the west. In addition to this, a line is to be built in the southwest, from Soviet Turkestan to Kashgar.
  - b. Road building: Completion of the road Urumchi-Korla; also of the road Urumchi-Chuguchak toward the north.
  - c. Armaments factories: Aircraft factory at Urumchi and expansion of the arsenal there. Explosives factories at Usu and Korla. Tank factory at Urumchi.
  - d. Airbases: Improvement or building of air bases at Urumchi, Hami, Ining, together with three additional fields. The three latter are to be bomber bases. The first named bases are for pursuits.
  - e. Hydrogen bomb factory: A Chinese-Soviet hydrogen bomb factory is to be developed, together with the development of uranium production. The Taklamakan desert is to be used as an experimental ground.
5. While this is going on, Northern Turkestan is to be built up as an industrial area. This work will include:
- a. Electrical energy: Urumchi is to be developed as a center for electrical energy. Existing possibilities for the development of hydro-electric power are to be further exploited.
  - b. Current petroleum production is to be increased tenfold.
  - c. Increase of existing light metal production. Within five years, 1952 production is to be increased fourteenfold.
  - d. Coal mining: Extension of coal mining operations, especially the big open strip mines in the Urumchi district.
  - e. Iron and steel production: With Urumchi as a center, iron and steel production is to be increased fourfold as compared with 1952.
  - f. Textile industry: Establishment of a textile industry in the Urumchi and Chotan areas. The plan calls for two thousand looms with 200,000 spindles within five years.
6. Agricultural development of southern Turkestan is to include the following steps:
- a. Irrigation: New irrigation to be introduced wherever feasible. Where the country is not an absolute desert, production is to be devoted primarily to cotton and wheat.
  - b. Method of development: This is to follow the plan of the mechanized kolkhozes. Troops stationed in Singkiang are to be employed in this. Any excess in the crops is to be shipped to the Soviet Union.
  - c. "Human material": The plan provides that "human material" shall come primarily from the provinces of Kansu, Ningasia, and Shenhsia. About half a million people are to be brought in within five years.

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- 3 -

- d. Where areas are unsuitable for agriculture, they are to be turned over as pasture.
- e. Wherever possible, reforestation is to be begun.
- 7. The city of Urumchi is to be built up as the center of the Singkiang and as a modern metropolis. In the Dsungarei and Tarim basins, five new cities are to be created.
- 8. The planning is extremely audacious. On the scale contemplated, it can probably be carried out only with the greatest difficulties. Even so, to execute the plan, Red China will have to turn to the Soviet Union for:
  - a. Economic loans: In addition to the known economic loan, the Soviet Union will also have to place at the disposal of Red China a "Common Development Fund" for Turkestan. Of this, 500,000,000 rubles a year will be earmarked for development.
  - b. For individual branches of industry, joint development companies will be founded, in which China is to hold fifty-one percent of the shares.
  - c. Scientific training: China is to send geologists, physicists, and technicians, for training, to the Soviet Union. Chinese scientific men are to participate in the development of the hydrogen bomb.
- 9. Such are the proposals which Ambassador Chang presented to the Kremlin. How far they can actually be carried out is at the moment a question that cannot be solved. Some of this ambitious program has been reported by the Tungya News Agency. Other sources also contribute and indicate that there is already a deliberate program of development going on. Many of the projects reported above, as presented by Ambassador Chang, seem a little too definite to be altogether reasonable in the present stage, which is at best planning rather than execution. It seems likely, however, that--over-ambitious though it may be--all these schemes represent the line of coöperation with the Soviet Union that Red China would at least like to take.

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